



**STATE OF MICHIGAN  
COUNTY OF NEWAYGO  
BOARD OF COMMISSIONERS**

At a regular session of the said Board, held in the City of White Cloud, in said County,  
on the 27th day of March 2013, the following Resolution was adopted:

**RESOLUTION #03-006-13**

**RESOLUTION OPPOSING CHANGES TO FEDERAL TAX PROVISIONS AFFECTING STATE AND LOCAL  
GOVERNMENTS**

**WHEREAS**, President Obama has made proposals to reduce or eliminate tax exempt municipal bonds and to eliminate the deduction of state and local property taxes on federal income tax returns, with the intent to raise taxes/revenue; and

**WHEREAS**, tax exempt municipal bonds are used to finance three-quarters of all infrastructure investments made in the United States; and

**WHEREAS**, the tax exempt status of municipal bonds was established one hundred years ago, codified by the Federal Revenue Act of 1913; and

**WHEREAS**, this tax exemption is part of a more than century-long system of reciprocal immunity under which owners of federal bonds are, in turn, not required to pay state and local income tax on the interest they receive from federal bonds; and

**WHEREAS**, tax exempt financing allows state and local governments to reduce borrowing costs because investors are willing to accept a lower interest rate on tax exempt bond issues, reflecting the reduced tax burden; and

**WHEREAS**, the tax exemption represents a fair allocation of the cost of projects between federal and state/local levels of government, with the federal cost leveraging an almost 9 to 1 return that is difficult to replicate through other federal programs; and

**WHEREAS**, Newaygo County residents have realized the benefits of tax exempt municipal bonds that have financed projects including expansions to the Medical Care Facility, the Health Services Building, the Sheriff's Office and Jail, as well as the construction of numerous waste water treatment systems throughout the county; and

**WHEREAS**, the President has proposed legislation to cap or repeal the tax exemption on municipal bonds; and

**WHEREAS**, eliminating or capping the tax exemption would increase the cost of borrowing for infrastructure improvements, increasing the cost to the public and reducing available funding for other local government services at a time when America's infrastructure is aging and Michigan's roads are deteriorating; and

**WHEREAS**, federal tax law currently allows homeowners that itemize deductions to deduct local property taxes, which has provided broad-based relief to taxpayers; and

**WHEREAS**, The President and Congress are considering the elimination of the itemized deduction for state and local taxes for individual taxpayers.

**NOW, THEREFORE, BE IT RESOLVED** that the Newaygo County Board of Commissioners opposes any efforts by the White House to reduce or repeal the federal tax exemption on interest earned from municipal bonds; and

**BE IT FURTHER RESOLVED** that the Newaygo County Board of Commissioners opposes any action that would reduce or repeal the exemption on tax exempt bond interest, and affirm that there should be no legislative action to apply any changes retroactively to current outstanding bonds; and

**BE IT FURTHER RESOLVED** that the Newaygo County Board of Commissioners opposes any changes to the local property tax deduction in any broad federal tax reform legislation; and

**BE IT FURTHER RESOLVED** that a copy of this resolution shall be sent to our Congressional Representatives and to the United States House of Representatives Committee on Ways and Means.

Motion by: Maibe Seconded by: Lethorn, to adopt the foregoing Resolution.

The Ayes being: Gardner, Lethorn, Maibe, Nieboer, Ortwein, Trapp

Nays: 0 Absent: Deur

The Resolution was adopted  
on March 27, 2013



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Patrick Gardner, Chairman  
Newaygo County Board of Commissioners

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COUNTY OF NEWAYGO)

I, Laurel J. Breuker, County Clerk, do hereby certify that the foregoing is a true copy of Resolution #03-006-13 adopted by the Newaygo County Board of Commissioners at a regular session held on the 27th day of March, 2013.



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Laurel J. Breuker  
Newaygo County Clerk

Please attribute written comments to:

Commissioner Patrick Gardner  
Commissioner Philip Deur  
Commissioner Larry Lethorn  
Commissioner James Maike, Jr.  
Commissioner Stanley Nieboer  
Commissioner Christian Ortwein  
Commissioner Charles Trapp

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